

MONEY IS PLENTIFUL

This Desirable Condition Has Been Brought About by the Taking Over of Large and Unsold Accumulations of Naval Stores, Being Bought by the Big Four and the Money Turned Over to Those Banks Which Had Advanced Money on Naval Stores Collateral.

Money is plentiful in Jacksonville.

This healthy condition has been brought about by the treaty of peace recently negotiated between the warring powers in the world of gum.

This peaceful situation is presented on the cover of this issue in the cartoon drawn by Artist Taylor.

In this lying down together of the Lion and the Lamb, the relative positions of the two principals in the interesting drama is an incident which affects people more or less in direct proportion to their interest in the lamb.

Sympathy for the lamb will no doubt fill the hearts of a large majority of those who look on this picture. It is a noble sentiment that honors the man who harbors it. The writer asks that he may be recorded as one of these.

BUT, THE THING THAT CHIEFLY CONCERNS the merchant, the land owner, the workman, the real estate dealer, and all others engaged in business pursuits is that—

THE BANKS NOW HAVE PLENTY OF MONEY to lend to all who can make a satisfactory showing of their worthiness of credit.

Last week, before the enormous holdings of naval stores in the hands of the Naval Stores Export Company were turned into cash, there was a tightness in the money market that was keenly felt by the business men of Jacksonville.

Business was beginning to feel the strain, and it was welcome news to those engaged in other pursuits, when the announcement was made that the large accumulations of naval stores had been turned into cash by the arrangement entered into between the rival buyers.

When the Naval Stores Export Company made the agreement with the old exporters, by the terms of which the old exporters bought the stock of turpentine and rosin held by the new company, about two and a half millions of dollars were turned loose.

A large part of this enormous amount went into the vaults of Jacksonville banks, and is at the service of Jacksonville business men who may have use for it, and proper security to offer for the use of it. To describe the present condition the words of

Dr. Hy Robinson, president of the Commercial Bank, are, with his permission, quoted. He said:

"The Commercial Bank did not have any naval stores paper, and was not affected by the change in the naval stores situation. Money is easy now, while last week it was tight."

To describe the condition that prevailed last week requires the citation of but one out of many instances of like character.

A man of ample fortune was compelled to abandon the contemplated purchase of a valuable piece of real estate at a bargain price, because he could not get the cash to pay for it, although he offered eighteen thousand dollars' worth of securities for a two thousand dollar loan.

A prominent real estate dealer described the condition last week as critical, adding that transactions aggregating a large amount negotiated by him could not be consummated last week because loans that could have been secured without difficulty, ORDINARY CONDITIONS PREVAILING, could not be secured.

It is not difficult to locate the cause of this money tightness in Jacksonville. It lies in the same direction as the cause of the relief. It can be writ within the compass of a couple of consonants and a vowel.

G-U-M.

It was known to the publishers of this journal at the time of the writing of the "Story of Gum," which was printed in these columns last Saturday. It was not included in that history because it was feared that its publication might cause a financial disturbance that would injure the business interests of this city.

Now, that the situation has been relieved and this effect is no longer to be feared, it may be of interest to present a little pen-picture of THIS part of the "Story of Gum."

When a celebrated statesman was asked what was necessary to carry on a successful war, he said: "Three things. The first is money, the second is money, and the third is money."

This rule applies, with equal force, to commer-

cial wars and to wars between nations.

When the Naval Stores Export Company joined battle with its rivals for control of the naval stores market, it needed money, then more money, then still more money.

For example: Say that the company under its agreement with the producers to take all shipments of naval stores at Jacksonville at Savannah prices, used up its capital in purchases and was unable to sell as fast as the goods came in. It was then obliged to pay for the next consignment with borrowed money. If it had on hand \$1,000,000 worth of naval stores, it could borrow on warehouse receipts, under the rules governing these transactions, about 80 per cent of the market value of the commodity at the time the loan was applied for. When this money was put in goods still arriving, 80 per cent of the last investment could be borrowed. This in turn being invested and still more goods arriving, another loan of 80 per cent might be secured. This process being continued, the time was bound to come when NO MORE MONEY COULD BE HAD.

This was the time for an agreement which was so euphonescally described by that conservative Times-Union and that dear Met. as "an amicable agreement," by which the Naval Stores Export Company won a great victory for Jacksonville.

This little illustration, which comes very near being a record of what did happen but which is not put forth as such, may explain why it required two and a half millions of dollars to take over the holdings of a CASH COMMODITY of a million-dollar company when the "amicable agreement" was reached.

This little illustration may offer some light on the question of what caused the tightness in the money market last week. It may also explain to the other business men of Jacksonville why the banks were turning down loans last week. It looks like the money market was "gum stuck."

But now all this is past. The "gum" has been loosened up and this story can be ended with the same sentence that began it—

Money is plentiful in Jacksonville.

PLAYED PRETTY GAME AND LOST

How Things Went When the News Got Out That the Export Company Had Reached Its Limit—It Was a Capitulation

There being NO REAL INFORMATION in the carefully censored notice sent to the press by the gentlemen who so recently agreed about naval stores, which carefully censored notice was published in both daily newspapers here, the following from the Savannah Morning News of Monday last is presented to those who may be interested in knowing what did happen.

It follows the main points of the "Story of Gum" that was printed in this journal last week, no part of which has been denied.

Though the details of the agreement reached by the warring interests have not been made public by the persons chiefly interested, it is understood from well informed circles that the stock taken over consists in part of about 45,000 casks of spirits of turpentine, taken on a basis of about 61 cents a gallon, the market price at the close of trading Saturday; and that the remainder of the holdings, consisting of rosin, was taken at a figure slightly under that quoted for the various grades at the close of last week's market.

It is further believed that the agreement includes a clause relative to a minimum price, to which the market shall be allowed to go. In fact, it was stated yesterday by one of the members of a factorage firm largely interested in the settlement, that producers are guaranteed for the future a much better price for their stuff than the average price it has brought in during the last five years, though it is not to be expected that the price of rosin will ever again reach the level that obtained just before the break a few weeks ago, this level being possible only through the abnormal conditions that prevailed at the time, as the result of the fight that has just been ended.

In the transfer of the holdings to be delivered by the Naval Stores Export Company, it is understood that the agreement goes into effect at once, and that the change of ownership, that is the actual delivery of the goods into the possession of the new pur-

chasers, is to be made as rapidly as possible, to be completed, in fact, in thirty days.

According to those in a position to know something of the terms of the new agreement, the transfer of the holdings of the Naval Stores Export Company does not mean that it will go out of business, though it is reported that the recently announced plans for an increase of its capital from \$1,250,000 to \$2,000,000 have been abandoned, and that its advice to producers to keep their stuff off the market may also be rescinded.

The expression of satisfaction made in the official declaration of the consummation of the agreement will probably be felt not only by those interested in the companies directly interested, but as well by the producers, for it is understood that while a large number of "the men in the woods" were stockholders in this company, the high prices that they received for their product while the fight was on, will be more than an offset to any losses that might have accrued in other directions.

Probably the greatest source of loss is to be found in the tendency of some of the operators to take on new timber leases and making other preparations to extend their operations, at prices that were based on the high values at which the market has been held. Factors, well knowing the instability of the fictitious level that had been reached, discouraged as far as was possible these ventures, and in many cases refused to make new connections or to advance money on schedules based on current prices.

Of more than ordinary interest to the general public, as well as to the naval stores man, producer or consumer, will be a brief review of the causes, conduct and consequences of this fight between the warring interests that have just been reconciled.

When the allied exporters of Savannah refused in the spring of last year to renew the contracts by which they had taken, at Savannah prices, the receipts of Florida ports, the Naval Stores Export Company was organized, among the factors and producers, by a series of meetings held at Jacksonville, Savannah, Pensacola, and even as far west in the belt as Hattiesburg, Miss. The original plan, as

announced, was to start with a capital of \$1,000,000, but at the meeting for organization this was increased by \$250,000.

The fight was precipitated almost at the moment the former contracts with the Savannah exporters expired, and as a result early in June the prices of spirits of turpentine went up by leaps and bounds to 79 cents, and prices in the rosin market likewise advanced sharply. To meet these tactics the Florida shipments were diverted, at the instance, it was understood, of the Naval Stores Export Company, to this market, and, under the weight of this load trading was almost to a standstill until a heavy accumulation of spirits had been piled up.

Then prices broke sharply and the Florida company came in and cleaned the market of offerings, taking an amount of stuff, of which the price paid represented, up to the present deal, the record for the trade. At the lower level the greater portion of the diverted receipts returned to their former channels and trading resumed something of a normal basis.

The conditions governing the naval stores trade make it peculiarly susceptible of manipulation. Spirits of turpentine after the initial guns in the fight had been fired, ceased to be the point of attack, and further operations, in the light of recent developments, seem to have been directed against the rosin stronghold.

Prices in this market were advanced day by day, almost, until not only all former records were left away behind, but the basis reached caused misgivings in the minds of even the factors and producers, who were the chief beneficiaries. The significance of this will be understood when it is known that under the terms of the agreement with producers the Naval Stores Export Company was to take all the Florida receipts at Savannah prices. Thus, in taking comparatively a small stock at Savannah the allied interests were loading up their competitor with a very much heavier stock and at the same prices.

This would have been no great hardship on the Florida interests had a market been found for the

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